

CHAPTER XXII.

THE EARLY CRISES OF THE LAST CENTURY.

Periodicity of Crises up to 1793 — ^{^e} ^{^se} of Accommodation Bills in the Crisis of 1782— The Effects of the Napoleonic Wars and the Crisis of 1810 —The Speculative Mania of 1825 — The Specie Circular and the Bank War in the United States — The Railway Development and the Crisis of 1847.

THE development of existing methods of commerce and of credit belongs essentially to the period of the last century and a half. Great commercial transactions were carried on before that time, but they were carried on by other banking methods than those of the modern age. The world was not linked, as it is to-day, in all its parts, by a community of commercial operations and by houses of international banking credit. Such economic crises as occurred were local in their effects and were produced, much more directly and more often than those of to-day, by political events. Their chief interest, therefore, is in demonstrating the essentially periodic character of such convulsions wherever commerce has attained anything like its modern development. Professor Jevons finds some evidence of a stock-jobbing mania as far back as 1682 and others in 1711, 1721, 1731, 1763, 1772-73, and 1783, with evidence of periods of high prices in 1742 and 1752. Complaints of stock jobbing and * ¹ bubbling ' ' were so pronounced that acts were passed by Parliament in 1710 and 1711, and again in 1733* with the result, according to Defoe, that "a happy stop was put to this spreading mischief." ¹

¹ Jevons, *Investigations in Currency and Finance* > 210-211.